

Agenda – Council – October 30, 2025

Report – Executive Policy Committee – October 21, 2025

Item No. 3 Application to the Federal Canada Public Transit Fund (CPTF) Baseline Funding Program for Winnipeg Transit

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On October 21, 2025, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the following to Council:

1. That the Public Service submit a Capital Plan Application for the Baseline Funding stream of the Canada Public Transit Fund for the eligible projects outlined under Transit's and Public Works multi-year budgets, as identified in Appendix B.
2. That, for the purposes of Recommendation 1, authority be delegated to the Chief Financial Officer to approve the Capital Plan Application to the Baseline Funding stream of the Canada Public Transit Fund.
3. That, subject to the approval of the Capital Plan Application under the Baseline Funding stream of the Canada Public Transit Fund, the City enter into, execute, and deliver a Contribution Agreement with the Housing, Infrastructure and Communities Canada, or its legal designate, and such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the "Ancillary Agreements").
4. That authority be delegated to the Chief Administrative Officer to negotiate and approve the Contribution Agreement between the City and Housing, Infrastructure and Communities Canada, or its legal designate, in accordance with this report and such other terms and conditions determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing.
5. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Agenda – Council – October 30, 2025

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DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On October 21, 2025, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the matter to Council.

ADMINISTRATIVE REPORT

TITLE: Application to the Federal Canada Public Transit Fund (CPTF) Baseline Funding Program for Winnipeg Transit

Critical Path: Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
J. Crowder, L. Fisher	G. Ewankiw	T. Graham	J. Dunford

EXECUTIVE SUMMARY

The Canada Public Transit Fund (CPTF) is a new federal program. It will give about \$3 billion each year to municipalities nationwide. This funding aims to support public transit and active transportation. The fund's goal is:

- to increase the use of public transit and active transportation relative to cars;
- help the environment;
- make housing more abundant and affordable near transit, and;
- improve public transit and active transportation options for all.

Funding will begin to flow in April 2026 provided a Contribution Agreement is complete. CPTF funding cannot be stacked with the City's existing Investing in Canada Infrastructure Program funds.

The fund has three parts. Baseline funding gives about \$500 million each year to communities with transit systems. It aims to offer steady, long-term support for routine capital and non-capital investments. The focus is on small-scale projects, like public transit and active transportation upgrades. It can also help plan or design future projects. Baseline funding can cover up to 40 percent of eligible construction costs and up to 80 percent for planning projects.

Communities with over 150,000 people, like Winnipeg, must meet extra requirements. The only requirement Winnipeg does not currently meet is removing mandatory minimum off-street parking requirement near frequent transit. This requirement does not need to be met before submission of a capital plan. It can be addressed at the funding agreement stage.

In 2024, the Public Service submitted an Expression of Interest application to the federal government. As a result, Winnipeg was deemed eligible for baseline funding of approximately \$11.6 million per year for the next 10 years. The \$11.6 million represents the federal contribution of up to 40 percent of construction project costs, and up to 80 percent for planning projects. It does not include the required City contribution of 60 percent or 20 percent.

The next step is for the Public Service to submit a plan for how the funding will be used. As a submission to the Federal Government and a completion of a Contribution Agreement are both still required, delay of the Capital Plan will put available 2026-27 funding at risk.

Using the 2025 Adopted budget and five-year forecast as a starting point, the Public Service recommends a mix of non-capital, active transportation, and capital projects. These projects will use the CPTF without adding any additional debt to the City.

To use the entire federal funding allocation under the CPTF, the City would need to contribute an estimated \$19 million more than the existing capital funding that is available in forecasted eligible projects.

RECOMMENDATIONS

1. That the Public Service submit a Capital Plan Application for the Baseline Funding stream of the Canada Public Transit Fund for the eligible projects outlined under Transit's and Public Works multi-year budgets, as identified in Appendix B.
2. That, for the purposes of Recommendation 1, authority be delegated to the Chief Financial Officer to approve the Capital Plan Application to the Baseline Funding stream of the Canada Public Transit Fund.
3. That, subject to the approval of the Capital Plan Application under the Baseline Funding stream of the Canada Public Transit Fund, the City enter into, execute, and deliver a Contribution Agreement with the Housing, Infrastructure and Communities Canada, or its legal designate, and such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the "Ancillary Agreements").
4. That authority be delegated to the Chief Administrative Officer to negotiate and approve the Contribution Agreement between the City and Housing, Infrastructure and Communities Canada, or its legal designate, in accordance with this report and such other terms and conditions determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing.
5. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

Council approval is required in order to apply for funding under grants or contribution programs, and to enter into contribution agreements with other levels of government.

IMPLICATIONS OF THE RECOMMENDATIONS

Upon approval of this report, the Public Service will proceed with the Capital Plan Application for funding consideration under the Baseline Funding stream of the Canada Public Transit Fund and, if the application is approved, will negotiate a Contribution Agreement with Housing, Infrastructure and Communities Canada in order to access that funding.

A separate report to Council will be required to outline the potential zoning by-law changes needed to satisfy the Federal Government's requirement to eliminate off-street parking within 800 metres of rapid transit stations.

HISTORY/DISCUSSION

The Canada Public Transit Fund (CPTF) is a funding program offered by the Government of Canada. The CPTF was announced in 2024 and will provide \$3 billion per year for public transit and active transportation infrastructure across Canada, beginning in 2026-27.

The CPTF will provide stable and predictable funding to address long-term transit goals and aims to:

- Increase the use of public transit and active transportation relative to car travel,
- Increase the housing supply and affordability as part of complete, transit-oriented communities,
- Help mitigate climate change and improve climate resilience, and
- Improve public transit and active transportation options for all, especially Indigenous People and equity-deserving groups.

The CPTF has three funding streams:

1. Metro-Region Agreements,
2. Baseline Funding, and,
3. Targeted Funding.

The CPTF is administered by Housing, Infrastructure and Communities Canada (HICC).

The Metro-Region stream will support the long-term development of public transit infrastructure in large urban areas across municipal boundaries with a regional impact and includes planning and construction of a broad range of projects, including major expansion. The Public Service is still investigating this a potential funding program in partnership with the Province of Manitoba.

The Targeted stream will provide flexible, call-specific funding to address federal priorities that meet local needs. Funding will cover areas such as rural transit, active transportation and zero emission solutions. More information and potential intakes for this funding stream is expected to become available in 2027-28.

Baseline Funding is intended to provide predictable, long-term funding to communities with existing transit systems to support routine capital and non-capital investments, with an expected focus on projects of a relatively small-scale, including public transit and active transportation system expansions, improvements, and state of good repair. The Baseline funding stream is an approximately \$500 million annual envelope and allocations are determined based on a formula that considers both ridership and population metrics.

Baseline funding is intended to support public infrastructure, which is defined as tangible capital assets primarily for public use and/or benefit, and will include capital transit and active transportation infrastructure projects or non-capital projects. Investments must support program objectives and expected results and must meet applicable federal requirements.

For a capital infrastructure project to be eligible for funding, it must include the acquisition, enhancement, modernization, rehabilitation, construction, expansion, restoration, renovation, refurbishment, or replacement of assets that fall under one of the following categories:

- Public transit systems and related infrastructure; or,
- Active transportation infrastructure or networks.

Non-capital projects will support transit-related development, planning, or design, of public infrastructure projects. For a non-capital project to be eligible for funding, it must support one of the following:

- A potential future capital project that would be considered eligible under the program; or
- Transit and active transportation projects related to planning, feasibility studies, stand-alone design work or other related capacity building, research or data projects. Projects that support the development of transit-oriented communities are also eligible; this would include projects like transit-related housing needs assessments.

The program will fund:

- up to 40 percent of eligible expenditures for capital projects; and
- up to 80 percent of eligible expenditures for non-capital projects; and
- may be stacked with the Canada Community-Building Fund, Canada Mortgage and Housing Corporation or Canadian Infrastructure Bank funding programs provided that total funding does not exceed 100 percent of total eligible project costs.

Constraints and criteria of the CPTF Baseline Funding program considered in the development of Winnipeg Transit's five-year detailed capital plan application include the following:

- Funding must be used in the year it is requested (i.e., carrying over funds is not permitted),
- Ineligible costs include land, overhead, internal salary (unless incremental and approved in advance) and financing costs,
- A commitment to meet environmental assessment and Indigenous consultation requirements, where applicable, prior to construction starting,
- A commitment to implement measures to reduce significant climate risks and report on actions taken,
- A commitment to purchasing zero-emissions vehicles and completing relevant planning as required,
- A commitment to completing GHG assessments for applicable components, and
- If applicable, a commitment to reporting on and using low-carbon ready-mix concrete.

In addition, for communities with a population greater than 150,000 the following strategic alignment housing conditions apply:

1. Completion of a Housing Needs Assessment,
2. Concentration of more housing development near transit by allowing high-density housing within 800 metres of high-frequency or higher-order transit,
3. Elimination of mandatory minimum off-street parking requirements within 800 metres of high-frequency or high-order transit, excluding accessibility requirements, and
4. Enable more housing supply near post-secondary institutions by allowing high-density housing as-of-right within 800 metres of recognized post-secondary institutions.

The City already meets items 1, 2 and 4. The remaining requirement does not need to be met before the submission of a capital plan and will be addressed at the funding agreement stage. The Public Service is preparing a separate report to Council, planned for later this year or early 2026, outlining the required zoning by-law changes for item 3.

With the recent Housing Accelerator Fund zoning by-law changes approved by Council, parking minimums have been eliminated along Portage Avenue and Pembina Highway for the mature communities portions of the City, and within 800 metres of rapid transit for building of affordable duplexes and triplexes. HICC has indicated that high-frequency or higher-order transit in Winnipeg, for the purposes of this funding stream, are the 11 rapid transit stations along the Southwest Transitway corridor (Harkness, Osborne, Fort Rouge, Jubilee, Beaumont, Seel, Clarence, Chevier, Plaza, Chancellor and Markham). HICC has also confirmed that the recognized post-secondary institutions in Winnipeg are the University of Manitoba Fort Garry campus and Red River College Polytech Notre Dame campuses as they had student enrolments of over 10,000 at the time of assessment.

Conceptual maps of the proposed geographical areas subject to these requirements are attached as Appendix A.

Separately, as part of the Housing Accelerator Fund, the City of Winnipeg has made by-law changes to allow for four units as-of-right per lot across the whole municipality and buildings of up to four storeys within 800 metres of frequent transit.

Winnipeg Transit submitted an Expression of Interest to the Baseline Funding stream on September 13, 2024, outlining Winnipeg's population and Transit ridership metrics. A letter was received from Canada on October 9, 2024, indicating that Winnipeg Transit is eligible for Baseline Funding. A subsequent letter was then received on November 20, 2024, confirming Winnipeg Transit's 10-year notional allocation of \$11,568,489 annually based on ridership and population. The next stage in the process is the submission of a Capital Plan Application for review and approval by Canada.

The Capital Plan categories for funding allocation provided by Canada are:

- Non-capital Components: planning projects, feasibility studies, stand-alone design work, etc.
- Capital Components:
 - Rolling Stock – Zero emission buses, subway cars, light rail trains, etc.
 - Fixed Assets – Passenger stations, terminals, shelters, stops, maintenance and storage facilities, etc.
 - Transit Exclusive – Heavy or light railway track, tunnels, roadways, etc.
 - Active Transportation – Bikeways, footbridges, trails, etc.

The Public Service's high level proposed five-year spending plan based on the funding program's criteria is shown in Appendix B and includes a combination of active transportation and capital infrastructure projects that leverage the CPTF with no financial impact (i.e., no additional debt) to the City assuming the 2026 Preliminary budget is approved as submitted. The annual spending window is as per Canada's fiscal year of April 1 to March 31. See Appendix B for additional details.

Based on the current Council direction to no longer purchase zero-emission buses after the current Investing in Canada Infrastructure Program (ICIP), and the ineligibility of diesel buses under the CPTF program, the Public Service may not be able to fully utilize the Baseline Funding allocation available with the existing City's funding allocations for eligible capital projects over the next five years. As a result, other potentially eligible active transportation projects in the Public Works department were reviewed in an effort to utilize CPTF funding. CPTF funding cannot be stacked with the City's existing Investing in Canada Infrastructure Program funds.

The active transportation component will be delivered in collaboration with the Public Works Department. Further analysis of specific projects, timelines, annual eligible project/program budgets, and annual spending forecasts are still required. All else being equal, accessing incremental CPTF funding would increase the overall amount of funding available.

FINANCIAL IMPACT

Financial Impact Statement **Date:** August 25, 2025

Project Name:

**Application to the Federal Canada Public Transit Fund (CPTF) Baseline
Funding Program for Winnipeg Transit**

COMMENTS:

There is no financial impact from the recommendations in this report. Potential CPTF funding applications for eligible projects are outlined in this report and will align with the proposed funding allocation outlined in Appendix B.

Laurie Fisher August 25, 2025
Laurie Fisher, CPA, CA
Manager of Finance & Administration

CONSULTATION

This Report has been prepared in consultation with:

- Public Works Department

OUR WINNIPEG POLICY ALIGNMENT

01-01b Key Directions for the Entire City - Key directions for connecting and expanding our sustainable transportation and infrastructure network.

Key Goals:

Environmental Resilience:

- Prioritize sustainable transportation as the mobility options of choice.

Objective: City Building

- Policy 2.5 -- Integrate resilient land use, transportation and infrastructure, and investment. Ensure that land use, transportation, and infrastructure planning are aligned to provide the conditions for compact, complete and connected communities, supported by sustainable transportation options and municipal infrastructure capacity.
- Policy 6.29 ---New Communities, Plan New Communities to identify and include a defined level of service for public infrastructure and resource requirements, or approved alternative to achieve complete communities including an integrated and sustainable transportation system, recreation, parks, libraries, emergency services and digital communications technology.
- Policy 6.24, 6.37, 6.38 —Transit-Oriented Development.
- Policy 6.10 --Transportation Safety

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Key Direction, Strategic Opportunity #3

- Advancing Sustainable Transportation – Increasing Mobility Options and Shift to Zero Emission Vehicles

Key Directions and actions

- 3.1 - Increase Use and Efficiency of Public Transit Systems
- 3.3 - Design New Suburban Communities to Enable Enhanced Transit Services and Access to

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Goal 5(b) Transportation System Equity is Enhanced – improvements to transportation and transit infrastructure and services prioritize areas of higher poverty, and increased interconnectivity to employment and affordable goods and services.

Goal 5(c) Transportation System Equity is Enhanced – Increase collaboration with community partners improve access to safe and secure transportation by all residents.

SUBMITTED BY

Department: Transit
Division: Asset Management Office/Finance
Prepared by: Jesse Crowder, Manager of Asset Management/
Laurie Fisher, Manager of Finance
Date: September 12, 2025

Attachments:

Appendix A – CPTF Baseline Funding Parking and Post-Secondary Conceptual Maps
Appendix B – Proposed Five Year Allocation